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Agenda item 116
Review of the efficiency of the administrative and financial functioning of the United Nations

Proposed programme budget outline for the biennium 2008-2009

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the proposed programme budget outline for the biennium 2008-2009 (A/61/576). In the course of its deliberations, the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification.

2. The Advisory Committee notes from paragraph 2 of the report that, in establishing a preliminary estimate for the biennium 2008-2009, the approved level of appropriations and related commitments, namely, $3,839.5 million, was taken as the starting point. On that basis, the Secretary-General proposes a preliminary estimate of resources for the biennium 2008-2009, expressed in initial 2006-2007 prices, amounting to $4,138.5 million, as shown in the table contained in paragraph 2 of the report. As indicated in paragraph 12, the preliminary estimate, excluding special political missions, represents an increase of $14.4 million, or 0.4 per cent, compared with the approved appropriations and related provisions for the biennium 2006-2007. The preliminary estimate would represent an increase of $299.0 million, or 7.8 per cent, compared with existing provisions for the biennium 2006-2007. The Advisory Committee points out that, consistent with past practice, the level proposed for the contingency fund is not included in the figure of $4,138.5 million.

3. The Advisory Committee recalls that the purpose of the budget outline is to provide Member States with a preliminary indication of the resources that may be required in the coming biennium. Once the outline is approved, the Secretary-General prepares the budget on that basis. Consistent with General Assembly resolution 41/213, these estimates can be either higher or lower than the preliminary estimate approved on the basis of the budget outline.

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4. As indicated in paragraph 3 of the report, an additional amount of $31.5 million would be required for the full biennial provision in the biennium 2008-2009 for posts that are partially funded in the current biennium.

5. Paragraph 4 of the report indicates that one-time costs amounting to $46.3 million, included in the biennium 2006-2007, would not be required. Those provisions relate mainly to construction, alteration and improvement costs associated with security projects, technological improvements to the printing plant at the United Nations Office at Geneva and the establishment of infrastructure for the United Nations enterprise network. In addition, there were non-recurrent costs related to the construction of additional office facilities at the Economic Commission for Africa (ECA) in Addis Ababa and the implementation of the 2005 World Summit Outcome, as well as provisions relating to conference servicing for the Committee on the Elimination of Discrimination against Women.

6. An amount of $29.2 million for new or expanded activities or events foreseen and/or mandated in the biennium 2008-2009 is included in the budget outline. The resources, as indicated in paragraph 5 of the report, are foreseen to strengthen human rights and humanitarian assistance, the economic and social sector, humanitarian activities and the United Nations Office at Nairobi, as well as for the establishment of a crisis management capacity in the Department of Safety and Security. The estimates also include the requirements for the implementation of International Public Sector Accounting Standards (see resolution 60/283, sect. IV), and requirements related to the holding of a number of conferences and meetings during the biennium.

7. As noted in paragraph 6, the estimates do not take into account adjustments to requirements that may arise following review by the General Assembly of a number of critical reports, including, inter alia, on the implementation of a next-generation enterprise resource planning system, after-service health insurance, United Nations governance and oversight, enhancing the role of the subregional offices of ECA and the Development Account.

8. As noted in paragraph 4, in line with the recommendation of the Advisory Committee that the methodology should reflect the recurrent nature of the provision for special political missions,[1] all such costs in the biennium 2006-2007 have been treated as recurrent. The Committee notes that the initial provision for special political missions in 2006-2007 amounted to $356 million. However, paragraph 8 of the outline indicates that it is estimated that full biennial provision in 2008-2009 for special political missions currently existing in the biennium 2006-2007 would amount to $658.0 million. Furthermore, although the present composition may change, it is not anticipated that the overall level will trend downwards. Taking that into account, an increase of $284.6 million is included in the outline estimate, thus putting the funding level for special political missions at $658.0 million in the biennium 2008-2009.

9. The size of the contingency fund is discussed in paragraph 13 of the report. The Secretary-General recommended that the level of the fund be adjusted upward by 0.6 per cent from 0.75 per cent to a level of 1.35 per cent, or $55.9 million, for the biennium 2008-2009. **The Advisory Committee points out that the fact that the level of the contingency fund is set at a percentage of the overall level of**

[1] *Official Records of the General Assembly, Sixtieth Session, Supplement No. 7* (A/60/7), para. 40.

resources means that the amount of the fund increases with the size of the budget. Moreover, past experience has shown that the level of the contingency fund has almost never been exceeded.[2] Furthermore, the Committee recalls that in its resolution 60/283, the General Assembly authorized the Secretary-General a limited discretion for budgetary implementation for the bienniums 2006-2007 and 2008-2009, to enter into commitments up to $20 million in each biennium for positions and non-post requirements for the purpose of meeting the evolving needs of the Organization in attaining its mandated programmes and activities.[3] Under the circumstances, the Committee recommends that the level of the contingency fund for the biennium 2008-2009 remain at 0.75 per cent, or $31 million.

10. The Advisory Committee was informed that, using the adjustments consequential to the first performance report for the biennium 2006-2007 (A/61/593), the 2008-2009 budget outline figure of $4,138.5 million would become $4,219.7 million. The Committee was also informed that the overall level of estimated requirements for 2008-2009 will depend on decisions of the General Assembly regarding revised estimates and programme budget implications that are in various stages of preparation or consideration concerning investing in people, governance and oversight, strengthening of the Office of Internal Oversight Services, gender architecture, the Register of Damage and the implementation of decisions of the Economic and Social Council and the Human Rights Council.

11. **Taking the foregoing considerations into account, the Advisory Committee recommends that the General Assembly adopt a preliminary estimate of $4,219.7 million for the biennium 2008-2009 at revised 2006-2007 rates.**

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[2] Exceptional circumstances have prevailed during the current biennium as a result of activities related to the implementation of the 2005 World Summit Outcome that could not be accommodated from within the contingency fund and were treated outside the provisions of resolutions 41/213 and 42/211.

[3] Section III, paragraph 8 (f), of resolution 60/283 stipulates that the authorization provided to the Secretary-General shall not imply any changes to the provisions guiding the use of the contingency fund.